

**PRESERVING LEGAL AID IN MONTANA**

On December 16, 2008, the Federal Reserve lowered its benchmark interest rate to an all-time low of zero to .25%. This cut has had a devastating impact on funding for civil legal aid in Montana and throughout the nation. The Montana Interest on Lawyers Trust Accounts (IOLTA) Program, which relies on banking interest rates for success, provides for a significant portion of state legal aid funding. The IOLTA program is facing a crisis of epic proportion. Conservative estimates for IOLTA funds in 2009 are less than \$300 thousand.

BACKGROUND

The Montana Justice Foundation (MJF), which has administered the IOLTA program for nearly 25 years, faces an unprecedented emergency. IOLTA funds are a primary funding source for civil legal aid to the poor in Montana. State legal aid providers rely on IOLTA funding to assist low-income families to obtain and preserve the most basic of human needs: shelter, food, clothing and safety.

IMPACT

Dozens of Montana law clinics, legal aid organizations, pro bono programs, self-help law programs, CASAs, community mediation centers, and domestic violence education and service provider programs will be drastically cut or eliminated. These organizations provide core legal services such as: preserving housing, protecting subsistence income, obtaining access to health care, family law matters, and protection from abuse and discrimination. The number of Montanans in need of legal services increases as the economy continues to falter. It is now more important than ever to preserve existing legal aid programs in Montana.

FUNDING STATISTICS

In 2008, more than 16,000 persons received urgent legal assistance through programs funded by the MJF.

According to the most recent U.S. Census, nearly 130,000 people live at poverty level in Montana, and more than 220,000 qualify for legal aid.

In Montana, there is an estimated one legal aid lawyer per 11,000 Montanans who qualify for legal aid. 1 in 3 people eligible for legal services is turned away due to a lack of resources.



